



Market Report

A Snapshot of your Marketing Sector

Handmade Cosmetics and Soap

This pack has been designed to provide information on setting up a business in the **Handmade Cosmetics and Soap** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **May 2026**.

What do I need to know about the Handmade Cosmetics and Soap market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ The overall cosmetics market in the UK is projected to be **£2.61bn in 2026**, with **73.6%** of sales attributed to non-luxury products. The United Kingdom's cosmetics market is experiencing a surge in demand for sustainable and cruelty-free beauty products. (Statista, *Cosmetics*, March 2026).
- ◆ **59%** of those surveyed say that Quality is the most important purchase criteria when considering personal care products. Skin compatibility is the second most important with **44%** choosing this option. (Statista, *Natural and organics cosmetics in the UK*, September 2025).
- ◆ **23%** of those surveyed say they are willing to spend more money on natural cosmetics, with **27%** believing in the healing properties of plants in such products. Conversely, **21%** say it doesn't matter if cosmetics are natural or chemical, as long as they work. (Statista, *Beauty & Cosmetics in the UK*, July 2023).
- ◆ Shoppers are prioritising spending on beauty products like hair, body care and fragrances over other products like clothing and accessories. This is part of the growing popularity of wellness (a booming market estimated at **£1.8 trillion** by McKinsey in 2024), which has spread to perfumes and cosmetics. (IBISWorld, *Perfume & Toiletry Manufacturing in the UK*, Nov 2025, accessed from [National Library of Scotland](#))
- ◆ Customers are buying products directly from social media platforms. Brands that use this function aim to drive sales through impulse purchases, enticing customers with product reviews or demonstrations and enabling them to make a purchase immediately. According to a Barclays survey, **27%** of respondents purchased beauty and skincare products from Facebook and Instagram in the year through August 2024. (IBISWorld, *Cosmetics Retailers in the UK*, Dec 2025)
- ◆ **87%** of people agree that to be credible, any label claiming environmental credentials needs to be certified by an independent organisation. ([Soil Association, The Organic Beauty and Wellbeing Market, 2025](#))



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Where can I find more information on my market?

The following UK organisations may be of interest to businesses working in the cosmetics and soap industry:

- ◆ [Guild of Craft Soap & Toiletry Makers](#)
- ◆ [Cosmetic Toiletry & Perfumery Association \(CTPA\)](#)
- ◆ [Cosmetics & Perfumery Retailers Association \(COPRA\)](#)
- ◆ [Cosmetics Cluster UK](#)
- ◆ [British Beauty Council](#)

The [National Library of Scotland](#) provides free access to a range of [eResources for Scottish businesses](#). These include the aforementioned IBISWorld reports: *Perfume & Toiletry Manufacturing in the UK* (Nov 25) and *Cosmetics Retailers in the UK* (Dec 25).

The following resources may also be helpful when setting up your business:

- ◆ All cosmetics products made available to consumers in Great Britain must comply with safety laws. [Making cosmetic products available to consumers in Great Britain - GOV.UK](#) outlines the requirements. The [CTPA](#) have also produced a detailed [What You Need to Know](#) guide.
- ◆ **Beauty Magazine** is a monthly online journal that offers information on the latest market trends, market research, as well as training features. www.beauty-magazine.co.uk.

The Information Service provides a bespoke research service for all Scottish business. If you have a more detailed research enquiry that you would like to explore, please contact us on **0300 013 4753** or email info@bgateway.com.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#), [Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these websites, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.



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How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) ["Find a Chartered Accountant"](#) tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk ["Licence Finder"](#) tool

Law Society of Scotland's ["Find a Solicitor"](#) tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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